

Building practitioners and owner-builder projects

This fact sheet explains the changes under section 25B of the *Building Act 1993* (the Act) that commenced on 1 July 2017.

The changes introduce new requirements that will help to ensure that domestic building work undertaken for owner-builder projects is carried out only by appropriately registered and authorised building practitioners.

OWNER-BUILDER CHANGES - Section 25B(1A)

From 1 July 2017, an owner-builder must not enter into a major domestic building contract with another person (to perform aspects of their building work for their owner-builder project) unless that person is registered as a domestic builder under the Act, and their registration authorises them to carry out the proposed building work.

An owner-builder will have committed an offence unless they have taken reasonable steps to ensure that the person (or Director in the case of a corporation), they contracted with is a registered building practitioner whose registration authorises them to carry out the work they have been contracted to do.

'Reasonable steps' may include undertaking a 'Find a practitioner' search on the VBA website to confirm the builder's registration details.

Regulation 282 of the *Building Regulations 2018* enables an owner-builder to contract with building businesses until the corporate registration provisions commence in 2018. The owner-builder can only do this if they have taken reasonable steps to ensure that at least one of the directors of the business is registered as a domestic builder in a category or class that authorises that director to carry out the work.

Penalties for breaching section 25B(1A)

- **60 penalty units** in the case of a first offence (approximately \$9,514 as at 1 July 2017)
- **120 penalty units** in the case of a second or subsequent offence (approximately \$19,028 as at 1 July 2017)

A major domestic building contract is needed when building work costs more than \$5,000 (increased to \$10,000 from 1 August 2017).

Only a registered builder can enter into a major domestic building contract with an owner-builder.

There are some exceptions to the requirement to enter into a major domestic building contract, for example, when engaging a person to undertake a single trade for certain types of work such as plastering or tiling.

More information about when an owner-builder must enter into a major domestic building contract can be found by visiting Consumer Affairs Victoria website www.consumer.vic.gov.au

BUILDING PRACTITIONER CHANGES - Section 25B(1)(b)

If you are a registered building practitioner you will have to obtain a certificate of consent to be an owner-builder if you intend to undertake building work (on your own land) that is outside the scope of work authorised for your category or class of registration.

If your registration authorises you to carry out the work you do not require a certificate of consent to be an owner-builder.

If you are a registered architect with the Architects Registration Board of Victoria (ARBV), you do not require a certificate of consent to apply for a building permit as an owner-builder.

BUILDING SURVEYOR CHANGES

Building surveyors must ensure that building practitioners (whose registration does not authorise them to carry out the proposed work) have been issued with a certificate of consent (for building work valued over \$16,000) to work as an owner-builder.

Penalties for breaching section 25B(1)(b)

- **120 penalty units** (approximately \$19,028 as at 1 July 2017)

Want to know more?

Please [submit an enquiry](#) or call us on 1300 815 127.

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